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Reagan Defends Tough Policy on Disclosures

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President Reagan, contending that some news articles based on unauthorized disclosures of Government information had endangered American relations with a foreign country, yesterday defended his attempts to restrict the flow of some information to the news media.

"We're not trying to hide anything that shouldn't be hidden," Mr. Reagan said in remarks at the convention of the American Newspaper Publishers Association in Manhattan. He offered no specific examples of articles that had endangered American relations abroad.

"I really am pretty upset about leakers," Mr. Reagan said in defending his Administration's policy. The White House has suggested legislation that would impose jail sentences on Government employees and former employees who disclose secret information without permission, and would require Government workers to submit to polygraph tests to prove their innocence.

Questions About Disclosures

Fielding questions at a luncheon appearance at the publishers' convention, Mr. Reagan was asked whether his Administration had been so unnerved by unauthorized disclosures that it was attempting to increase the volume of information classified as secret for "political convenience."

He replied that, on the contrary, the White House was "working to reduce unnecessary classification," but that his freedom to settle sensitive policy questions was compromised by premature and inaccurate disclosures.

"With regard to national security, we're not doing anything that I think unfairly imposes a restriction on the right of the people to know," Mr. Reagan said in his speech in the Grand Ballroom of the Waldorf-Astoria.

In response to other questions, he de-

fended the behavior of Interior Secretary James G. Watt, saying his record was strong but had been distorted.

"Maybe sometimes he asked for it by careless remarks or something," Mr. Reagan said. But, he added, "I don't know of anyone in that department who has done a better job."

Beach Boys Flap Recalled

"On the musical side, Nancy had to tell me that the Beach Boys weren't a rock group," he continued, drawing laughter with his allusion to Mr. Watt's abortive attempt to dictate the kind of musical groups that could perform at the Fourth of July celebration on the Capitol Mall.

Asked what criticism he might have about the performance of Paul A. Volcker as chairman of the Federal Reserve Board, Mr. Reagan replied, "Not a thing." He said he was "surprised" about articles, clearly based on remarks to reporters by his own White House aides, speculating that he was not likely to reappoint Mr. Volcker in August. "There has been no consideration or talk of any kind about that," Mr. Reagan said.

President Reagan was well received by the publishers. Even when defending his information policy from the news executives' skepticism, he was applauded when he told how he preferred to keep option papers private so he could maintain a "board of directors" approach to decision-making.

Large Crowds Turn Out

"The only difference being, we do not take a vote," he said of his prerogative as President. The publishers laughed approvingly.

Sizable crowds waved at Mr. Reagan as his motorcade moved through the city. Outside the hotel, a group of demonstrators chanted, "No Vietnam War in El Salvador."

Mr. Reagan gently hinted that the publishers might do more to cover the economic recovery. Citing a list of positive data, he said the recovery was so clear that, "pretty soon they won't be calling it Reaganomics any more."

In response to a question about the estimate of large Federal deficits in the \$200 billion range for the next five years, Mr. Reagan said it was important to note that his budget plan projected deficits on a "downward path." Private savings were stimulated by the recovery, he said, and so interest rates would not rise drastically again because "the Government is not going to be hogging all the private capital that is available."

Erroneous 'Law' Cited

Mr. Reagan's earnest, smiling defense of his information policy was in contrast to the appearance Monday by Senator Daniel Patrick Moynihan, Democrat of New York. He had warned the publishers that a "truly menacing atmosphere" now threatened First Amendment freedoms because of attempts by the Reagan Administration to restrict the outward flow of Government information.

In response, Mr. Reagan said yesterday, "the law provides" for prison terms of up to three years for anyone who releases secret information without authority. The White House later corrected this to note that it was only a proposed penalty and not yet law.

Mr. Reagan also described a problem, difficult to repair, where he said unauthorized information endangered relations with another nation. He did not identify the country nor did he indicate whether the embarrassing information was truthful.